

RISK MATTERS

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Violence at Work

The Risk Management and Tort Defense Division (RMTD) recently sponsored a series of statewide seminars entitled 'Violence at Work: Issues in the 90's and Beyond.'

In response to numerous agency requests and public employee interest in this topic, we have received permission from Janice Travnick, Kemper Insurance Companies, to re-print portions of her presentation in this bulletin. (Video-taped copies of the seminar are also available for reproduction from RMTD.)

Also included in this, our first FY95 issue of RISK MATTERS, are a number of practical suggestions for agencies to consider in averting workplace violence. The bulletin is intended to assist state employees to recognize warning signs, develop action plans, and reduce violence at work by addressing causal factors.

Don't forget to turn to RISKORNER for the latest on insurance, loss prevention, and workers' compensation.



WHY SHOULD YOU READ THIS ISSUE?

- Between 1980 and 1989, there were 7,600 workplace homicides according to the National Institutes for Occupational Safety and Health (NIOSH). Another study, conducted by the U.S. Bureau of Labor Statistics, counted more than 1,000 people who had died as a result of on-the-job violence during 1992 alone.
- Federal statistics show that on-the-job homicides are the nation's second leading cause of workplace deaths. And for every person killed at work as a result of violence, many others are threatened and/or harmed physically or emotionally.
- A number of recent and pending lawsuits allege employer liability for their failure to respond to threats and institute policies for the protection of their workers.
- There are steps that agency managers and supervisors can take to reduce the threat of violence. Essentially, these measures consist of proven loss prevention techniques as well as policies to address the state's response to threats of violence.

LEADERSHIP
INFORMATION
EXCHANGE

RECENT TRAGEDIES

Most incidents of workplace violence receive little attention outside of local news reports. However, several recent violent incidents in the workplace have received national attention during the past few years.

Earlier this year, for example, four employees at a fast food restaurant in Clarksville, Tennessee were found shot to death inside the building.

In 1993, two U.S. post office employees were killed in separate incidents on the same day. One of the killers was a postal employee; the other was a former postal worker.

Closer to home, in 1991 two dorm students at Montana State University were assaulted by another student and killed with a shotgun after a disagreement over missing personal property.

In another instance, a state employee assaulted and molested a patient at a state institution.



THE VIOLENT PERSONALITY

Identification of potentially violent personalities is an important first step in loss prevention. Most violent behavior in recent years has been found to be linked to feelings of powerlessness, stress/burnout, negligent hiring, extremist group participation, and domestic problems.

Persons who commit violent acts often fit a particular personality profile. Typically, these individuals are males in their 30s and 40s who are unemployed or move from job to job and have knowledge of, or experience with, guns or explosives.

They may also enjoy revenge-oriented literature, violent television shows and movies, or belong to anti-government extremist groups. The typical candidate for violence is also likely to be a loner who suffers from low self-esteem.

Persons who commit violent acts often fit a particular personality profile.

An individual who commits violence typically builds up to the act. Over time, he or she will make increasingly hostile and harsh comments and remarks, including threats, to co-workers, supervisors, friends, or public officials. In many instances, the person who commits a violent act will warn that he or she intends to hurt or kill someone.

Unfortunately, such warnings are often ignored or are dismissed with the thought that the person is merely "blowing off steam." For instance, in 1988 a man in Sunnyvale, CA walked into the building where he once worked, shot and killed seven people, and wounded five others.

Before the attack, he had sent more than 100 threatening letters over a four-year period to the company. He had also made threats against his former bosses during conversations with co-workers.

CAUSAL FACTORS

Sources of violent behavior at work may be internal, such as one state employee threatening another. Additionally, violent acts may arise from disgruntled citizens, taxpayers, other members of the public, or state employees who bring domestic problems to work.

It is CRITICAL, however, that each agency adopt the philosophy that violent behavior of any kind, whether verbal or physical, is NOT tolerable.

There is no single approach to prevent violence from occurring because agency risks vary, facility/physical plant layouts are different, and the circumstances which give rise to violent behavior are different from agency to agency.

It is CRITICAL, however, that each agency adopt the philosophy that violent behavior of any kind, whether verbal or physical, is NOT tolerable.

LOSS PREVENTION TIPS

There are no easy answers, but here are a number of suggestions based on studies and reports by experts in the field.



Reducing the Threat of Employee Violence

- Set up a system for pre-employment screening to identify potential behavioral problems pre-hire (behavioral screening). Call references.
- Create a culture of mutual respect at work. Encourage open communication, give employees adequate control over their work, and provide them with support and recognition.
- Develop supervisory skills in negotiation, communication, team building, and conflict resolution. Become more sensitive to the diverse workforce with which you work.

- Undergo training in how to handle terminations, or in dealing with sensitive situations, ask that a representative from personnel be present. For a potentially dangerous former employee, change locks and ask that badges, parking passes, keys, and the like be returned. Ask the remaining staff to report any additional threats against them, the manager, or organization.
- Use an Employee Assistance Program to help troubled employees address family, marital, financial, and other personal issues. For further information, contact the State Personnel Division.
- Set up a crisis plan to deal with violent incidents, including where to go, what to do, how to report the incident, how to maintain safety of unaffected employees, and steps to take to prevent further trouble. Consider implementing 'violence drills.'
- Whenever possible, employees should be the only individuals with access to certain areas of the workplace. Spouses, acquaintances, or anyone else who is doing business with an agency should be asked to wait in a reception area. Agencies should also consider practice drills that respond to threatening situations.
- Use exit interviews to identify potentially violent responses to layoffs/RIFs.



Reducing the Threat of Violence from the Public

- Treat all members of the public fairly, courteously, and with respect.
- Observe the individual's initial reactions and body language.
- Recognize your own attitudes and eliminate those that are counterproductive.
- Document the details of any violent or potentially violent incident. Include information which will identify the agitator, director quotes, and witnesses.
- Report any incident to your supervisor as soon as possible.
- Avoid getting trapped. Know where the nearest escape routes are.
- Ask yourself what you would do if someone walked into your office with a weapon. Work with agency personnel to develop response and prevention protocol commensurate with risk and physical layout.

POLICY CONSIDERATIONS

A 'needs assessment' is an important first step for an agency to identify whether or not to establish a policy given historical risk or potential high risk operations that may require special consideration.

Each agency should consider establishing protocol to respond to violence or threats of violence based upon its own unique operations and facilities.

Each agency should consider establishing protocol to respond to violence or threats of violence based upon its own unique operations and facilities (The General Services Division is developing sample general safety/security guidelines which agencies may use in addressing specific risks).

It is critical that agency management support and enforce policies and that they are practiced and communicated within the agency. A number of policy considerations are summarized below:

- Establish a program to deal with real or veiled threats. Experts advise that employees be encouraged to report threats from former employees as well, and that it be suggested they convey such information to their manager or personnel director (employees may be reluctant to share with their boss a former co-worker's feelings about him or her).
- Use internal procedures to handle grievances. Employees must know that these procedures exist. They need to believe that their complaints will be handled promptly and confidentially.
- Agencies should examine policies regarding access to buildings, especially for non-employees. These steps are essential because domestic violence that follows employees into the workplace has resulted in a number of killings.

AFTER AN INCIDENT

Even after instituting loss control measures, however, a violent incident may still erupt. Typically, victims and their co-workers will experience a wide range of disturbing emotions.

For example, whereas some employees will feel guilty at having survived the attack or been powerless to stop it, others will fear for their safety and may be afraid to return to work. Depending on their psychological make-ups, employees will manifest these feelings in different ways.

Numerous studies show that most victims or witnesses of violence experience one or more psychological reactions to the incident, including feelings of anxiousness or depression, trouble with concentration or memory, loss of interest in their jobs or family life, sleeplessness, and loss of appetite.

To help employees deal with and recover from these symptoms, agencies should refer these employees to mental health professionals who are trained and experienced in critical-incident stress debriefing.

RISKORNER

Governor Commends Safety

At a ceremony held at the Montana Developmental Center in Boulder, the Department of Corrections and Human Services was recognized for its efforts to curb workers' compensation costs through employee safety programs.



Director Rick Day noted that the experience modification for MDC declined over the past two years. The success of the safety program he attributed to the leadership of Deputy Director Sally Johnson, and the commitment of the management team and staff at MDC.

The Governor noted the value in avoiding the wasteful costs of loss but said that the best value is in avoiding harm to state workers and their families. The Governor commended the Department of Corrections and Human Services, State Fund, and Vocational Resources Inc. (VRI) for a collaborative, yet successful, effort.

MDC has been successful in reducing its costs through a combination of risk management techniques. First of all, physical therapist Sharon Swift tests the strength and flexibility of an employee to carefully match each employee with the physical demands of the job (see photo below).



Secondly, safety is becoming a part of MDC's culture. Managers and supervisors are rewarded for their efforts and employees have been involved in program development at all levels. Employees and supervisors at all levels have been trained to be safety conscious.

Back injury prevention training and lifting techniques are stressed to all MDC employees. Back support belts are worn by all employees who perform heavy lifting (see photo above, next column).



According to Jennifer Pryor, Program Director, the safety program has actually enhanced teamwork and productivity at all levels. If an employee becomes injured, the manager/supervisor works very closely with the State Fund to find modified duty work for that employee through a comprehensive Early Return to Work (ERTW) program.

We extend our congratulations to MDC for their hard work and efforts. CONTINUED SUCCESS!

Accident Response

What should you do as a state employee if you are a witness to or are involved in an accident with a third party claimant? It might be a slip and fall, a vehicle collision, or the sudden collapse of a client.



The first thing to do is to protect yourself and others from further injury. Do only what you know how to do, then call for help. Provide first aid if you are qualified, defer to another if you are not.

If an injured person is conscious, ask if he/she needs an ambulance. If anyone is, or may be, seriously injured or is unconscious, call 911. Do not tell a potential third party claimant to go get medical attention. This could be interpreted as meaning "Go get fixed, the state will pay the bill." Do not say anything that can be interpreted as an admission of negligence or liability.



Prevent: Take steps to prevent further loss. Protect the scene appropriately with guards, flags, etc. Assure that any physical evidence is preserved. Again, defer to any professionals at the scene.

Investigate: Get the basic facts. Write down names, addresses, and day and night phone numbers of the parties involved and any witnesses. Make brief notes of what people say and do at the scene. Take pictures if practical. Your gathered facts and evidence may help us know how to defend you if a claim is made against you or the state.

SAFETY TIPS!

Follow-up: File an incident report with RMTD as soon as possible. Copies of this report are available from your agency risk management coordinator or call RMTD. DO NOT give the state's incident report to the claimant to complete. Instead, direct the claimant to write RMTD a letter of demand stating the facts and what may have given rise to the state's alleged negligence.

Statements: Know who you are talking to. Do not give statements or opinions to strangers. Talk to RMTD attorneys or other state officials.

Never: Do not admit fault or liability. That is our job. Fault or liability is only determined after an investigation of the facts and laws. Do not say things to reassure that you do not control such as "The state will pay the bills" or, "Don't worry, we'll take care of it." In other words, do not make promises that you cannot keep.

IN SUMMARY, DON'T VOLUNTEER FOR AN ACCIDENT. BUT, IF IT HAPPENS, TAKE THE RIGHT STEPS TO MITIGATE THE HARM FOR EVERYONE INVOLVED.

What is Loss Control?

Too often when loss control is mentioned, we hear statement such as "We can't afford that sort of thing", "We don't have that many accidents", or the clincher—"That's why we have insurance, to take care of those expenses". Each of these statements comes from a misconception about loss control and what it can do for an agency.

Loss control activities are the efforts made in fire prevention, theft, or vandalism control, public protection, and employee safety to minimize the chance of loss from the hazards inherent in the work place.

Loss control is not meant to be an expensive, novel plan spelled out in a dusty manual lying on a shelf or stuffed in a cabinet. It is not as important to have a written program documenting all loss control procedures as it is to have an effective loss control program covering all operations. Effective loss control is smart, cost-effective management.

Reaping the Benefits

A safe working environment goes a long way in improving employee productivity and moral. If you can avoid the expenses and waste associated with accidents, you will realize increased productivity and reduced overhead.

Effective loss control does not just happen, it requires serious commitment and planning. True loss control is nothing more than a good way of doing business.

Don't volunteer for an accident. But, if it happens, take the right steps to mitigate the harm for everyone involved.

Falls

Falls are a common cause of state office accidents, accounting for the greatest number of disabling injuries.

In fact, a person who works in a state office is twice as likely to suffer a fall as someone who works outdoors.



We fall while walking, climbing ladders and stairs, and even while sitting in chairs. We trip over telephone and electrical cords, open desk and file drawers, loss and worn carpeting, debris, equipment, and packages left in aisles "just for a moment."

These are several factors which appear frequently. Among the big trouble makers are: slippery floors, loose or torn carpeting, objects in the walkway, stairs, chairs, litter, open drawers, and telephone or electrical cords.

Falls are a common cause of state office accidents, accounting for the greatest number of disabling injuries.

Floor wax, spilled coffee, or water from a wet umbrella--these are substances that make the floor slippery and can cause falls. Slippery surfaces are not the only floor hazard. Worn spots on carpeting or chipped tiles can also cause falls.

How to avoid falls from slipping or tripping...

- Walk, never run.
- Don't change direction suddenly or stop quickly.
- Choose properly-fitted footwear with slip resistant heels and soles and keep them in good repair.
- Carry loads of reasonable size so your vision isn't blocked.
- If you see a slip or trip hazard, correct it immediately or mark it and notify someone to correct it.
- Keep aisles and walkways clear.

Uninsured Motorists Coverage

We have received a number of questions involving insurance coverage of state employees who are injured by uninsured motorists while working on behalf of the state.

In brief, workers' compensation typically covers the employee if he/she is injured. Any uninsured motorist's coverage provided by RMTD is excess of workers' compensation or other personal insurance such as accidental death and dismemberment or group health insurance.

Uninsured motorist's coverage is not provided for state employees who use leased/loaned vehicles for personal use. These employees will have to rely on uninsured motorists coverage on their own vehicles and/or personal health or accident insurance.

TRAINING CALENDAR

<u>Date</u>	<u>Description</u>	<u>Sponsor</u>
September 7th	Montana Safety Culture Act-safety coordinators (Helena, statewide)	RMTD (SCIF) (State Compensation Insurance Fund)
September 11th-15th	STRIMA (State Risk & Insurance Managers) Conference (Whitefish) NOT AVAILABLE TO THE PUBLIC	RMTD
September 15th- November 1st	Montana Safety Culture Act-agency supervisors and managers (Helena)	RMTD
September 16th	Public Sector Workers' Compensation and Liability (Billings)	RMTD, MACO (Montana Association of Counties), MMIA (Montana Municipal Insurance Authority)
September 26th	Public Sector Workers' Compensation and Liability (Bozeman)	RMTD, MACO, MMIA
October 3rd	Public Sector Workers' Compensation and Liability (Helena)	RMTD, MACO, MMIA
October 13th	Public Sector Workers' Compensation and Liability (Missoula)	RMTD, MACO, MMIA
October 24th	Public Sector Workers' Compensation and Liability (Great Falls)	RMTD, MACO, MMIA

Stay tuned for Montana Safety Culture Act training. For information on all other sessions, please contact the Risk Management and Tort Defense Division (406)444-2421.

The Risk Management and Tort Defense Division makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in training. Persons needing an accommodation must notify the RMTD no later than two weeks before the date of training to allow adequate time to make needed arrangements. To make your request known, call 444-2421.

RISK MATTERS

Department of Administration Risk Management & Tort Defense

Bulletin #: 94-1

Date: 5/1/94

Issued To: ALL AGENCIES

Subject: THEFT, MYSTERIOUS
DISAPPEARANCE,
AND INVENTORY SHORTAGE



Risk Matters is a bulletin designed to clarify policy, statute, or procedure, and to assist state agencies in minimizing their exposure to losses stemming from legal liability, vehicle liability, or property risks.

PREFACE

Welcome to this edition of Risk Matters. Our last bulletin was well received and appeared to serve a useful purpose. Thank you for your comments, suggestions, and questions.

This issue of Risk Matters addresses the protection of state and employee personal property from theft, mysterious disappearance, and inventory shortage. Please distribute this bulletin to all managers, supervisors, and affected employees. Copies should be placed in each agency's Risk Management Procedures Manual - Chapter XII, Bulletins.

Don't forget to turn to RisKorner for the latest on the Governor's Safety Awards, worker's compensation/safety issues, and risk management resources.

WHY SHOULD YOU READ THIS ISSUE?

1. A historical analysis of recent agency property losses reveals an alarming number of claims connected with the loss of state and employee personal property. Many of these losses could have been prevented!
2. The guidelines contained in this issue of Risk Matters are intended to identify existing loss patterns, clarify state and employee personal property insurance coverage, and provide agency management with suggestions for preventing such losses.

THEFT, MYSTERIOUS DISAPPEARANCE, AND INVENTORY SHORTAGE DEFINED

To understand the nature of property loss, it is important to distinguish between natural and human perils. A peril is a hazard or threat of potential physical or financial loss to the state.

Natural perils are perils such as fire, lightning, windstorm, hail, etc. Human perils include theft, arson, or civil disturbance. This bulletin addresses three specific human perils: theft, mysterious disappearance, and inventory shortage.

Summarized below are the terms:

Theft is the criminal act or instance of stealing or removal of property from its rightful owner and encompasses both burglary and robbery. Burglary is the criminal forced entry of a person or persons with felonious intent. Robbery is the crime of taking property from a person or possession of another by using violence or threats.

Mysterious Disappearance is the disappearance of agency property without knowledge about the location, time, or how the property disappeared.

Inventory Shortage is shrinkage of inventory or items not found as listed when a periodic agency inventory is completed.

A LOOK AT THE LOSSES

From FY92 to FY94, state agencies experienced 70 loss incidents involving theft, mysterious disappearance, and inventory shortage. These losses totalled \$94,369 and are exclusive of deductibles paid by state agencies.

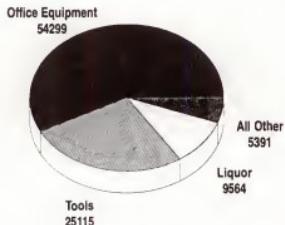
Keep in mind that your agency is paying a \$1,000 per occurrence deductible for most property losses. Agencies have paid approximately \$35,000 in deductible losses above and beyond the expenditures from the self-insurance fund over the past three years.

Loss of state employee property that is not incidental to employment has not been included. The most frequent categories of property loss are office equipment, tools, and liquor inventory (state liquor stores).

Chart 1 depicts a breakdown of losses by major property categories. As shown, office equipment losses cost the state insurance fund \$54,299. Stolen and burglarized tools cost the fund \$25,115. State liquor operations experienced losses totalling \$9,564. Liquor losses are covered by a separate self-insurance program administered by RMTD. Miscellaneous other losses amounted to \$5,391.

Chart 1

BURGLARY AND THEFT LOSSES Dollars Paid Above Deductible

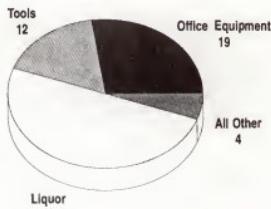


The analysis also indicated that most office equipment losses are occurring on larger ticket items such as personal computers and other technical equipment. Theft is the most common cause.

Chart 2 provides a frequency distribution of the number of these losses by category of property. As illustrated, there were 35 liquor related losses, 12 tool losses, 19 office equipment losses, and 4 other losses.

Chart 2

BURGLARY AND THEFT LOSSES Number of Losses Reported



A comparison of Charts 1 and 2 suggests that high frequency property losses are not necessarily the most severe losses. For example, office equipment losses totalled 19, compared to 35 for lost liquor inventory. Yet, office equipment losses cost more on the average than any other category of property loss.

Chart 3 illustrates the average cost per claim per property loss category. The average cost of loss for office equipment is approximately \$2,800; tools \$2,100; liquor \$300; and other losses \$1,300. Office equipment and tools, though they are the most costly type of claim per occurrence, are also the most preventable.

Chart 3

BURGLARY & THEFT LOSSES Average Loss Per Claim



MADE IN MONTANA!

Consider the following scenarios of recent agency property risks gone amuck! These are actual claims paid by RMTD, any one of which could happen to you or your agency.

Claim #1

A state agency receives goods to be resold at retail to its clients. The agency received shipment of two computers on a Wednesday and placed them in an unsecured area near a loading dock. The computers were not secured in an adjacent room as was customary because it was a very "busy" period and the room was full. The loading dock just happened to be a short distance from the entrance where the computers were stacked. On Friday, an employee observed the two computers sitting next to



a crate. He remembered thinking the crate would make a good dog house. The computers were left unsecured over the weekend. Monday, the store manager went to get the computers and discovered they were stolen.

Both computers were easily accessible from the loading area, which also served as a quick escape route. The two units had a combined value of over \$2,600. In this scenario, management had a policy for securing valuable equipment. They readily concurred that they and their staff had become lax in their security policy during the busy period. The agency is now working to improve security and to set up a sound loss prevention policy.

Claim #2

A state employee takes a portable computer on state business out of town and leaves it sitting in the front seat of the vehicle in plain view. The car door was unlocked! Portable computers and other equipment left in state vehicles are an easy target for criminals! Don't be victimized! Please lock the doors on unattended vehicles and property! Store equipment in the trunk of the vehicle or other locations where it is not easily visible!

Claims #3 and #4

A former state employee enters his former agency with a key and takes his pick of expensive tools. In a similar case, the former employee was a former inmate.



Each agency should establish and continually reinforce existing policies to manage the keys that are distributed to employees. All keys should be tracked from the time an employee begins employment until termination. Always obtain keys from a departing employee before he/she leaves.

WHAT CAN YOU DO?

Policies and Procedures

Managers and supervisors must enforce policies to prevent loss to state and employee personal property. An agency once asked RMTD how to protect a large display of non-state owned computers (worth hundreds of thousands of dollars).

While discussing the topic of key distribution, the agency discovered that there were over 100 keys issued to present and former employees that it could not account for. Managers and supervisors should decide who really needs keys. Agencies may reduce theft, mysterious disappearances, and inventory shortages by limiting access to state facilities (i.e., deciding who should have a key and when employees may work during non-essential work hours.)

Another area for policy consideration is that of security and protection of employee personal property. State employees may protect personal property by limiting what they bring to work and securing/locking offices, storage areas, and file cabinets.

Security:

Agency personnel must remember to secure/lock all state facilities when not in use. An analysis of some claims showed that state facilities and vehicles used by employees are not always locked after normal office hours.

Managers and employees should work with the General Services Division to identify security concerns and resolve them. Agencies that handle money, process valuable papers, or have important documents should be equipped with vaults and locking file cabinets to secure valuable papers, checks, and currency as appropriate. Proper segregation of accounting duties should be an agency practice.

In addition, we recommend that agencies have a check-in and check-out procedure for valuable equipment that leaves state buildings for state or employee personal use. State employees must exercise common sense in safeguarding valuable equipment they are using for state purposes. Equipment should be locked in secure areas, and wherever possible kept out of sight. Employees are responsible to secure personal property they bring to work.

Segregation of Assets:

Another important property loss management practice is that of segregation. Simply put, don't put all your eggs in one basket. Store valuable items, equipment, or documents in two or more divisions, buildings, or locations. Thus, if one building is broken into or destroyed by fire, an agency has only lost a portion of its most valuable assets.

Duplication:

Valuable documents and records or other items can be duplicated and placed in different locations. This prevents a potential thief from making a quick score in one location.

STATE INSURANCE PLAN PROTECTION

Over the past year, RMTD has received many questions about insurance coverage of state and employee personal property. Here are some quick answers!

Property Insurance Overview:

The State of Montana has an all-risk commercial property insurance policy on all state owned buildings and contents. All risks of loss are covered except those specifically excluded in the state's commercial policy. Examples of policy exclusions are: money, mysterious disappearances, inventory shortages, currency, accounts, bills, deeds, evidences of debt or title, notes, securities, fine arts, furs, jewelry, precious metals or precious stones, and vehicles. For a complete list of exclusions, please contact RMTD.

State Property

RMTD insures roughly \$1.7 billion in state buildings and contents to replacement value through commercial insurance carriers. About \$400 million of this amount is in building contents such as state owned furniture, equipment, computers, and supplies.

Property leased by the state is covered if under the ownership or control of an agency. State agencies must satisfy the first \$1,000 of each property loss. RMTD pays the remainder of the \$150,000 deductible from the self-insurance fund deductible reserve assessment (exception: the deductible for Montana State Prison is \$250,000).

For losses exceeding \$150,000, the state's commercial insurer provides excess coverage to blanket limits of approximately \$1.3 billion per loss occurrence (exception: properties other than the Capitol Complex, Broadwater Power Plant, University System, and Vo-Tech are covered to \$50 million per loss occurrence).

Losses not covered by commercial insurance or that fall below the commercial insurance deductible, are funded through a self-insured retention program administered by RMTD, if they meet the criteria established in Section VI. of the Risk Management Procedures Manual.

State property is covered for all natural perils, and human perils, such as theft. Since mysterious disappearance and inventory shortages are excluded items, evidence of theft must be present for a loss to be covered. Such evidence may include, but is not limited to, force, or evidence of force.

Employee Property

The state's commercial insurance policy also covers some employee personal property. Personal property of state employees that is specified by union contract or required by management 'incidental to state employment' is covered to actual cash value for most causes of loss.

For example, a department may have a union contract requiring mechanics to bring personal tools to work. In other instances, agencies have required employees to bring personal computers or other equipment to work.

Personal property of state employees voluntarily brought to work and that is not required or 'incidental to state employment' is covered to actual cash value only for losses arising from fire, flood, or other natural perils.

For example, many employees voluntarily bring items such as jewelry, cash, aquariums, articles of clothing, computer software, etc. In order for coverage to apply, an employee must have written authorization before the loss from agency management. The Risk Management and Tort Defense Division must review and approve any exceptions.

Personal property of state employees is not covered for losses arising from theft or mysterious disappearance unless the property is required by the agency as incidental to the agency's function. Keep in mind that theft loss coverage is only provided for items that are not excluded by the commercial carrier. Personal property of elected/appointed officials and other employees required to live in state owned housing is covered to actual cash value for most causes of loss.

All personal property of state employees is subject to the provisions of the state's excess commercial insurance. Property coverage typically excludes cash, purses, wallets, fine arts, fur, jewelry, valuable papers, credit cards, etc. For these items, it is recommended that state employees check their homeowner's insurance to assure coverage or contact the Risk Management and Tort Defense Division for further information. A \$1,000 deductible is paid by each agency per occurrence.

RISKORNER

This is our second feature of RisKorner. It provides agency news, shares success stories, and imparts risk management tips. We hope that you enjoy it and invite you to share your suggestions and ideas!

Governor's Safety Award Winners

The Governor's Safety Awards Program is sponsored by the Department of Labor & Industry annually to recognize employers who have made significant contributions toward a safe and healthy work place.



At the Governor's Safety Conference last October, Lt. Governor Dennis Rehberg presented the Governor's Safety award to four Montana employers, including two state agencies. The two state agencies that were nominated by RMTD and received this high award for excellence in improving work place safety are the Department of Transportation and the Publications and Graphics Bureau, Department of Administration.

The Department of Transportation received the award for a large public entity (more than 200 employees). They have an excellent safety program that successfully focuses on safety training and loss control efforts. See the photograph above:



The Publications and Graphics Bureau received the award for a small public entity and has been recognized nationally by NAPL (National Association of Printers and Lithographers) for its excellent safety record in printing and publications operations.



We add our congratulations to these two state employers for their accomplishments! Nominations for the next Governor's Safety Conference are due in September. For additional information on how you can nominate an agency, please contact the Risk Management and Tort Defense Division or Department of Labor and Industry.

Workers' Compensation

In other matters, RMTD has received questions on whether workers' compensation insurance is required on volunteer workers. RMTD received the following information from state fund personnel.

Under Montana's workers' compensation and occupational disease acts, an employer is not required to provide workers' compensation coverage for volunteer workers other than the **mandatory coverage** required for volunteers involved in air search and rescue for the Montana Department of Transportation, volunteer reserve or auxiliary peace officers providing service to a local law enforcement agency, or volunteer fire fighters providing service to an incorporated city or town.

An employer may choose to provide coverage for volunteer workers by requesting such coverage with the Volunteer Workers Endorsement form. The premium will be based upon assumed wages equal to remuneration normally received by regular, paid employees doing the same or similar work.

Besides volunteer labor, there are also instances of community service work. Workers' compensation coverage for laborers performing community service is also available by endorsement and must be requested by the employer (or entity) receiving the benefit of the service. Such work needs to be assigned by court order or as a condition of probation. The premium basis for community service work is the number of hours worked times the minimum wage.

Safety

The 1993 Montana Legislature passed the "Montana Safety Culture Act" (SB163). The act became effective on January 1, 1994 and effects all state agencies. The purpose of the act is to prevent occupational illness and injury by promoting safety in the work place. The intent of the act is to create a safety culture among all citizens and employers in Montana.

The Montana Safety Culture Act requires state agencies to provide safety training, work site inspections, document safety activities, and sponsor safety committees. The Risk Management and Tort Defense Division worked closely with the State Compensation Insurance Fund to develop guidelines and will provide training to help state agencies set up safety programs.

STAY TUNED for additional information on the guidelines and training!

We interrupt this bulletin for an important safety tip on **BACK INJURY PREVENTION!** No matter how knowledgeable or skilled we are, we all need to be reminded about ways to avoid back injuries.

PUSH, DON'T PULL!

Whenever you have to move something that is on a cart, a dolly, a handtruck, or in a bin with wheels, push the load. Pushing puts less strain on your back.

MOVE, DON'T REACH!

You may not realize it, but overreaching often throughout the day will eventually take its toll on your back. Arrange your work station so that the things you work with most are within easy reach. Move things closer to you or move your entire body closer to them.

SQUAT, DON'T BEND!

Whenever you have to reach down low, you should squat down, bending at the knees, instead of bending your back. If you have to reach into a deep container, prevent injury by resting your free hand on the top edge of the container for support.

As you straighten up, push down on the container edge to push yourself up.

TURN, DON'T TWIST!

Twisting is not the thing to do. Instead, turn your whole body in the direction that you want to go.

RISK MANAGEMENT RESOURCES

To help state agencies in managing their risks, RMTD has developed many resource materials and informational services. As a reminder, these services include:

Risk Management Manual: This manual provides a description of the State of Montana Risk Management Program. Topics included in the manual are: An overview of risk management and loss prevention techniques that agencies may use, a summary of insurance coverages, procedures on reporting claims and investigating accidents, billing and source data procedures, and the state risk management plan.

Contracts Manual: This document provides a summary of approaches which agencies may use to reduce contractual liability. The primary focus is 'hold harmless' and indemnification language and insurance specifications. The division also provides training through the Professional Development Center and upon agency request. The division's course 'Reducing Risk Exposure in Contracts' is approved for CLE (Continuing Legal Education) credits.

Brochures/Bulletins: RMTD has developed pamphlets and bulletins for use by state agencies. They are designed to clarify policy and mitigate agency risks. Topics to date include insurance coverage, insurance premium allocation, crisis management, repetitive strain injury, theft/mysterious disappearance/inventory shortage, and risk management.

Risk Analysis: RMTD provides each agency with a analysis of liability loss history quarterly. In addition, RMTD obtains worker's compensation loss histories by agency and provides each agency with an annual summary of trends, total incurred dollars, causes of injury, etc.

Risk Assessments/Consultations: We are happy to evaluate risks and work with agencies on strategies to mitigate loss. Sometimes a "fresh pair of eyes" and a different perspective is necessary. We have provided or sponsored many training sessions free of cost for state agencies. Topics include contracts, safety, maintenance, risk management, wrongful discharge, recreational liability, and law enforcement professional liability.

Training/Resource Library: RMTD has many resources available in-house or through our membership with PRIMA (Public Risk and Insurance Management Association) and the Wyoming/Montana Safety Council. Videos, brochures, catalogs, sample safety programs, Early-Return-To-Work Programs, and a host of others are provided upon request, subject to availability.

Other risk management training is available from organizations such as the Wyoming/Montana Safety Council. For more information on any of these resources, call Brett or George at (406)444-2421.

TRAINING CALENDAR

- The seminar "Law Enforcement Ethics" will be held in four regions of the state during April 1994. For



further information contact (MLEA) Montana Law Enforcement Academy.

- RMTD will provide Safety Coordinator training with all state agencies during June and July.
- Agency fall "Loss Management" visits will be scheduled with state managers and supervisors in the fall.
- The seminar "Reducing Risk Exposure in Contracts" will be held in May and training provided by RMTD for the Big Sky Purchasing Association.
- RMTD recently began conducting "New Employee Safety Orientation" through the Professional Development Center. New employee general orientation is one of the requirements of the Montana Safety Culture Act.
- The State Risk Management Advisory Committee will meet in September to discuss insurance, claims, and loss prevention. We are interested in your feedback on training topics and risk management issues that affect your agency. Give us a call or contact your agency risk management representative:

Administration, Cathy Reardon
Agriculture, Ralph Peck
Commerce, Barb Charlton
Corrections, Janie Wunderwald
Family Services, Ann Gilkey
FWP, Donna Campbell
Health, Forest Farris
Justice, Terry Cannon
Labor & Industry, Cheryl Bozdog
Legislative Council, Valencia Lane
Livestock, John Skufca
Military Affairs, Thomas Muri
Montana Judiciary, Pat Chenovick
Natural Resources & Conservation, Jerry Smith
OPI, Geralyn Driscoll
PSC, Laura Calkin
Revenue, Mike Zahn
Secretary of State, Gary Manahan
SRS, Peggy Probasco
State Lands, Bruce Swick
Transportation, Michael Buckley
University System, Tom Gibson (MSU)

Montana State Library



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